

Company Update January 2008

Key Points

- ReCell® Pre-Marketing Program launched in China
- Helicon signs important collaboration agreement with leading Chinese oncology group
- Senior pharmaceutical executive appointed to head marketing and sales in China
- Extracts from Chairman's AGM Address

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Participants at the Beijing Seminar featuring Professor Wood, included leaders in the Chinese Burns and Plastic Surgery fraternity.

ReCell® Pre-Marketing program kicks into gear

With the regulatory process well underway in China, Helicon has put the ReCell® pre-marketing program into gear with a number of activities over the last few months.

The Company has completed a comprehensive market research program designed to provide the data necessary to enable it to effectively target its resources in the most effective way.

Since then Helicon has hosted a series of seminars designed to gain the support of the leadership of the Chinese medical fraternity for this innovative technology.

Professor Fiona Wood, the inventor of ReCell® featured at a series of seminars in Shanghai, Beijing as well as Hong Kong, presenting the research rationale and clinical evidence for this highly innovative therapy. Taking the pre marketing to a second stage involved a seminar recently held in Beijing to demonstrate the finer points of the technology and how it is used. The seminar, again attended by the leadership of the Chinese Burns and



Professor Fiona Wood demonstrating the clinical outcomes of ReCell® at the Shanghai meeting.

Plastic Surgery fraternity were briefed on the important surgical methodology and the more recent clinical outcomes. This meeting was chaired by Professor Chai Jiake, Professor of the Department of Burns and Plastic Surgery and Chairman of the Chinese Burns Society. Professor Chai also holds the position of Director of Burn and Plastic Surgery Hospital of the PLA General Hospital in Beijing.

The consensus of the meeting was unanimous in concluding that ReCell®, once approved for marketing will fulfil a broad and important market need in China and will be widely welcomed by both doctors and patients in providing an effective means to treat burns, scars and hyper and hypo-pigmented skin.



Pictured above: Professor Chai Jiake Chairing the recent Helicon sponsored training Seminar in Beijing.

Helicon signs important Cooperation Agreement with Beijing based Jewim Pharmaceuticals



Pictured above: Representing the companies at the signing ceremony in Beijing from left are Dr Chen Qi, Head of Helicon's China Operations, Mr Peter Abrahamson, Helicon's CEO, Dr Song Genfu, President of Jewim Pharmaceutical, Ms Zhang Yingying, Marketing Director and Mr Li Bing, General Manager of Jewim Pharmaceuticals

Beijing based Jewim Pharmaceuticals and Helicon signed a letter of intent in December 2007 whereby the two companies committed to work together to commercialise high end oncology and biomedical products in China.

Headquartered in Beijing, the privately held company with a staff of over 800 has as its core business the distribution of pharmaceuticals and medical devices on behalf of major multinationals such as Novartis, Astra Zeneca and Merck.

Jewim Pharmaceuticals was established in 1999 and has since built a substantial business in the rapidly growing Chinese oncology and transplantation segments. The core business revolves around providing distribution, logistics and e-pharmacy services to major foreign multinationals. The company also has a sophisticated manufacturing capability and is investing in Research and Development.

An important element of building a successful franchise in the Chinese pharmaceutical market is gaining formulary listings in the target institutions. Regional and national distributors have established a capa-

bility to achieve this goal by developing strong links with key institutional decision makers over many years. Jewim is one such distributor which has established a strong franchise in the oncology and transplantation segments offering such distribution services to major multinational companies. This allows these companies to focus their selling efforts on the training of the doctors as part of the demand generation activities.

Jewim has built a strong presence in the Chinese oncology segment able to gain distribution in 100% of oncology departments and hospitals in the major Chinese cities of Beijing, Shanghai and Guangzhou representing some 549 hospitals.

Commenting on the alliance at the recent signing ceremony in Beijing, Jewim Pharmaceuticals President Song Genfu said: "We are very pleased to establish this relationship with the Helicon Group. This relationship will provide Jewim with access to an ongoing stream of Western state of the art medical technology for commercialisation in China".

Responding Mr Peter Abrahamson, Helicon's CEO said: "The alliance with Jewim is a truly synergistic one combining the distribution capability and market knowledge of one party with the international network and ability to bring new innovative technologies to the China market by the other".



Pictured above is Jewim's new purpose built facility in Beijing housing the company's administration, sales, research, clinical, warehousing and distribution functions.

Former Roche, Eli Lilly and Shanghai Pharmaceutical manager heads Helicon's Operations in China



Dr Chen Qi (pictured above) joined Helicon at the beginning of November to head up the operations in China. A Chinese national, Dr Chen is an experienced senior pharmaceutical executive in China and has previously worked as Manager, New Product Planning with Eli Lilly Asia, Marketing Business Unit Manager, China for Shanghai Roche Pharmaceuticals Ltd and most recently General Manager of the Antivirus Branch Company of the Shanghai Pharmaceutical Group.

Dr Chen holds a Bachelor of Medicine and Master of Medicine (Major in Biomedical Engineering) Degrees from Henan Medical University and Shanghai Medical University respectively. He also holds a Management qualification from the prestigious China Europe Business School (CEIBS).

In his role as Sales and Marketing Director for Helicon, Dr Chen will be responsible for the tactical implementation of Helicon's operations in

China. This will include the deployment and management of Helicon's national sales and marketing team as well as the development and implementation of competitive strategies to achieve profitable sales and market penetration of Helicon's products.

Commenting on his position, Dr Chen indicated "I am very excited about this new position and confident that Helicon will be able to establish a successful business in China. The Chinese market is hungry for innovative western biomedical technologies and products like ReCell® have excellent prospects for growth."

Welcoming Dr Chen to Helicon, Peter Abrahamson commented "Chen Qi brings many years of experience and a well developed network to Helicon. He has an inquisitive mind and the energy and drive to build a successful business."

Dr Chen and his wife Tracy live in Shanghai with their five year old son.

Extracts from Chairman's Address to AGM

This is the Company's first Annual General Meeting of shareholders since the Company listed on the Australian Securities Exchange in September of this year.

The first thing I want to say is the board and management, like fellow shareholders, are extremely disappointed with the performance of the Company's share price since listing. The poor performance has been due to a sell down by seed investors of a particular broking house and this sell down has had a discouraging effect on post-IPO buying by other investors.





The second thing I want to say is that Helicon is in very good shape. We raised sufficient funds to take us to our next stage of development and we have put in place the major building blocks for the successful execution of our business strategies. As the largest single investor in the IPO taking up approximately 15% of the issue, I am comfortable and confident with the Company and its prospects and I am of the view that, in time, the Company will be significantly re-valued as it implements its business plans.

As you know, the business of Helicon is to secure the exclusive rights to pharmaceutical, healthcare and medical device products for commercial exploitation in the fastest growing healthcare market in the world, China.

We already have a portfolio of three products that our CEO will talk more about. A very recent business development initiative has resulted in the Company entering into preliminary discussions with a number of companies with products that fit into our business strategy. A good number of product candidates in fields of surgery and oncology will be evaluated in the next three months and we would be hopeful that our portfolio will be significantly boosted as a result.

The Company's initiatives to expand our portfolio have been accompanied by the establishment of a solid foundation that has included:

- the raising of \$3 million at IPO,
- the relocation of our CEO, Peter Abrahamson to Shanghai and the establishment of an office presence there,
- the appointment of a regulatory affairs partner in China,
- the submission of product files with the Chinese State Food and Drug Administration,
- the appointment of former Eli Lilly, Roche and Shanghai Pharmaceutical Group senior manager and Dr Chen as the Company's Director of Marketing and Sales in China,
- the appointment of a national logistics partner in China giving us a network of 284 sub-distributors and 450 sub-line wholesalers,
- the appointment of a commercialisation partner in Hong Kong and in South Korea, and,
- the conduct of a number of training workshops for some of our in-licensed products.

In looking ahead, as mentioned earlier, we are working on expanding our portfolio and product pipeline. We are also looking for strategic relationships and strategic opportunities that could provide us with the leverage to accelerate our business plans. Given that our CEO will spend a fair amount of his time in China, the Company is in the process of identifying and appointing an Stakeholder Relations Manager to ensure the Company is effectively promoted and its achievements communicated in a professional and ongoing basis.

China and North Asia represent significant opportunities, not just for commodity and resource companies. They also represent exciting opportunities in healthcare and related fields. Helicon Group is very well positioned to participate in the exciting growth of the North Asian region. We are beautifully positioned to be the gateway to China for small to medium healthcare and pharmaceutical companies with innovative western approved products. The implementation and execution of our business plans and strategies will result in the Company reaching a critical mass and herald exciting times for the Company.

In closing my address I would like to take this opportunity to firstly thank and welcome all shareholders who joined us by investing in the company at the IPO. I would also like to thank our staff and advisers for their efforts and support. I would like to thank Mr Abrahamson whose commitment and dedication to the Company have been quite special. Finally, I would like to thank my fellow directors for their support and very professional contributions.

Thank you.

Dr Saliba Sassine
Chairman

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Forward Looking Statements

This publication contains certain forward looking statements. Forward looking statements are statements other than historical information or statements of current condition. These forward looking statements relate to the plans and objectives of the Company for future operations including the Company's plans for regulatory approval and its estimates for markets. In light of the risks and uncertainties inherent in all future projections, the inclusion of forward looking statements in this publication should not be regarded as a representation by the Company that the objectives or plans will be achieved.